

Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

NEWS RELEASE

FOR IMMEDIATE RELEASE

For more information contact:

Alice Jones
Communications Director
(501) 371-2835
alice.jones@arkansas.gov

Suspected Insurance Fraud Ringleader Turns Himself In

LITTLE ROCK, ARKANSAS (February 14, 2007) —State Insurance Commissioner Julie Benafield Bowman today announced suspected insurance fraud ringleader, Frederick Watson, turned himself in to Little Rock Police on Tuesday, February 13, 2007. Watson is alleged to have masterminded a car crash ring operation which defrauded insurance companies of hundreds of thousands of dollars over a period of twelve years. Among his alleged accomplices were his cousin, Mark Watson, and Rebekah Rahn, both of whom were arrested Monday.

Commissioner Bowman said investigators from the Department's Criminal Investigation Division began looking into the case after an adjuster with an insurance company reported she thought one of her clients had been intentionally crashed into. "A common thread soon began to emerge as the Department looked at police accident reports," said Bowman. The investigators began to see the same vehicle involved in more than one accident and similar names for drivers involved. "I am very proud of the work our investigators did in this case," Bowman went on to say, "as well as the private individuals who helped in the investigation."

Watson and others in the ring are believed to have staged over forty accidents during their years of operation. Generally, they chose targets of opportunity, such as individuals pulling out of

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driveways or those going through intersections, often causing injury to unsuspecting drivers. If an opportunity presented itself, they took full advantage. There are alleged instances of members of the operation running into inanimate objects such as bridges, trees, and light poles. They would then file false reports, claiming they had fallen asleep while driving. The amount of money defrauded in the scheme is still being totaled, but it is expected to run into the hundreds of thousands of dollars.

“I can not say how appreciative I am of those who have come forward to assist the Department’s investigation. If there are others who may think they have knowledge of this type of activity, I would ask them to call our Criminal Investigation Division,” Bowman said. It is estimated that 80 to 120 billion dollars in the United States is lost to insurance fraud every year.

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